NATIONAL RECOVERY ADMINISTRATION

DIVISION OF REVIEW

EVIDENCE STUDY

NO. 9

OF

THE DRESS MANUFACTORING INDUSTRY

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PRELIMINARY DRAFT

(NOT FOR RELEASE: FOR USE IN DIVISION ONLY)

THE EVIDENCE STUDY SERIES

The EVIDENCE STUDIES were originally planned as a means of gathering evidence bearing upon various legal issues which arose under the National Industrial Recovery Act.

These studies have value quite aside from the use for which they were originally intended. Accordingly, they are now made available for confidential use within the Division of Review, and for inclusion in Code Histories.

The full list of the Evidence Studies is as follows:

1. Automobile Manufacturing Ind.
2. Boot and Shoe Mfg. Ind.
3. Bottled Soft Drink Ind.
4. Builders' Supplies Ind.
5. Chemical Mfg. Ind.
6. Cigar Mfg. Industry
7. Construction Industry
8. Cotton Garment Industry
9. Dress Mfg. Ind.
10. Electrical Contracting Ind.
11. Electrical Mfg. Ind.
12. Fab. Metal Prod. Mfg., etc.
13. Fishery Industry
14. Furniture Mfg. Ind.
15. General Contractors Ind.
16. Graphic Arts Ind.
17. Gray Iron Foundry Ind.
18. Hosiery Ind.
19. Infant's & Children's Wear Ind.
20. Iron and Steel Ind.
21. Leather
22. Lumber & Timber Prod. Ind.
23. Mason Contractors Industry
24. Men's Clothing Industry
25. Motion Picture Industry
26. Motor Bus Mfg. Industry (Dropped)
27. Needlework Ind. of Puerto Rico
28. Painting & Paperhanging & Decorating
29. Photo Engraving Industry
30. Plumbing Contracting Industry
31. Retail Food (See No. 42)
32. Retail Lumber Industry
33. Retail Solid Fuel (Dropped)
34. Retail Trade Industry
35. Rubber Mfg. Ind.
36. Rubber Tire Mfg. Ind.
37. Silk Textile Ind.
38. Structural Clay Products Ind.
39. Throwing Industry
40. Trucking Industry
41. Waste Materials Ind.
42. Wholesale & Retail Food Ind. (See No. 31)
43. Wholesale Frésh Fruit & Veg.

In addition to the studies brought to completion, certain materials have been assembled for other industries. These MATERIALS are included in the series and are also made available for confidential use within the Division of Review and for inclusion in Code Histories, as follows:

44. Wool Textile Industry
45. Automotive Parts & Equip. Ind.
46. Baking Industry
47. Canning Industry
48. Coat and Suit Ind.
49. Household Goods & Storage, etc. (Dropped)
50. Motor Vehicle Retailing Trade Ind.
51. Retail Tire & Battery Trade Ind.
52. Ship & Boat Bldg. & Repairing Ind.
53. Wholesaling or Distributing Trade

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THE DRESS MANUFACTURING INDUSTRY

Foreword

Published government data coextensive with the Code definition for the Dress Manufacturing Industry are extremely meagre. Complete Census data pertaining to dress manufacturing are not separately reported for various of the topics listed in the outline. Wherever Census data are available -- as in the case of value of production -- these have been used.

For other topics, Census classifications as they stand are not comparable with the Code classifications and the Census data are not sufficiently broken down to allow of recombination to give totals comparable with the scope of the Code. In many such cases unpublished Census material, especially prepared for this latter purpose, have been presented.

Much of the material called for, however, was obtainable only from the records of the Code Authority, and, in such cases, these have consequently been used.

CHAPTER I

DESCRIPTION AND SCOPE

History

Dress manufacturing is a young and healthy Industry. Prior to 1900 the Industry is not even mentioned in the Census of Manufactures. Before that time -- and even today for the much higher priced article -- dresses were custom made to individual order and measure by dressmakers in the home. At the present time Dress Manufacturing is one of the largest of the apparel industries.

Scope of the Code

As defined by the Dress Manufacturing Code and covered by this report, the Dress Manufacturing Industry includes "the manufacture and sale by the manufacturer in whole or in part, in the United States on the North American Continent, of women's, misses', and juniors' dresses, dressmakers' ensembles, and waists when used with ensembles, whether such manufacture and distribution shall be by inside or outside manufacturers, contractors, or otherwise; provided that nothing in this definition shall include the manufacture of inexpensive dresses made of material of which cotton is the chief content and generally known in the trade as a house dress or house dresses."

Recent Changes

The Dress Industry has undergone many significant changes within the last decade. Prices have crystallized into definite price ranges as shown on many of the following tables. This has resulted in a strong tendency for specialization, with the result that today most manufacturers make dresses of a few price lines only.

Coexistent with specialization and price-line development there has been a marked shift toward lower prices dresses. This has been accelerated by the popularity of cottons which are becoming increasingly important in this field.

Perhaps the most striking recent change has been the almost complete unionization of the Industry. Although unions have existed in the Industry for a number of years they had largely broken down prior to the enactment of the National Industrial Recovery Act. At that time a relatively small portion of the industry was unionized. Under the impetus and protection given by the Act, the Industry has been almost completely unionized in the last two years.

There appears to be some doubt as to whether this stronghold can be maintained in view of the Supreme Court decision, and also in view of the widespread use of contractors and other practices which tend toward evasion of union agreements and make difficult their policing and enforcement.

General Operation of the Industry

The financial condition of manufacturers often determines the source from which the cloth and other raw materials are purchased. The cloth may be

bought direct from the weaving mills, through commission agents, or in the case of the very small manufacturer, from the cloth jobber.

The manufacturer who maintains his own inside shop next cuts the cloth according to pattern. This is done by "laying up" many thicknesses of the material ranging from 4 to 6 to as many as 150 ply depending upon the number of orders and whether the cutting is to be done by machine or by hand. After cutting, the cut portions are sewn together to form the dress. The completed dresses are next pressed, trimmed by hand with ornaments and buttons, and then packed for distribution.

Manufacturers who employ contractors often cut the material on their own premises and then send it to the contractor who completes the manufacturing operations and returns the completed dresses to the manufacturer.

The product is distributed by sales direct to retail outlets, by sales to jobbers, and in many instances by sales through resident or commission buyers located in New York, for their out of town customers.

Because of the style factor, the small quantities usually purchased at one time, and the light weight of the merchandise, dresses are usually shipped by express or parcel post.

Size of the Industry

The Dress Manufacturing Industry in 1934 was composed of approximately 2,000 manufacturers engaged in the production and distribution of dresses.1/ As shown in Table I below, the Industry expanded from 1,634 establishments, employing 63,593 workers, with annual production valued at about $153,000,000 in 1914, to 3,518 establishments employing 88,223 with an annual production of about $823,000,000 in 1929.

TABLE I

Growth of the Dress Manufacturing Industry
in the United States, 1914-1933

Year	Number of Establishments	Average Number of Wage Earners	Number of Garments (thousands)	Value of Product (thousands)
1914	1,634	63,593	- -	$153,116
1921	2,653	53,468	- -	375,330
1929	3,518	88,223	162,837	823,271
1931	3,101	79,726	166,720	617,818
1933	2,305	73,493	145,238	376,480

Source: 1914 and 1921 data from Levine, The Garment Worker, The figures, furnished by the Bureau of the Census, include waists and children's dresses but not house dresses.
1929, 1931, and 1933 data from special tabulation of the Bureau of the Census covering women's, misses' and juniors' dresses. Includes only establishments whose products are valued at $5,000 or more annually.

1/ The Dress Code Authority.

Geographical Concentration

Geographically the Industry is highly concentrated in and around New York City. In 1929, 72 per cent of the establishments in the Industry were located in New York State. These establishments employed 52.6 per cent of the employees and produced 76.5 per cent of the total value of the product. Chicago and Philadelphia are other important centers, producing in 1929, 5.2 and 4.4 per cent respectively, of the total value of the product. A similar distribution of the Industry for other years is shown in Tables II and III.

TABLE II

Number of Establishments, By Principal States

State	1929	1931	1933
U. S. Total	3,518	3,101	2,305
California	118	96	98
Illinois	209	182	122
Massachusetts	108	118	102
New York	2,537	2,197	1,609
Pennsylvania	140	132	74
Other States	406	376	300

Source: Special tabulation of the Bureau of the Census covering women's, misses', and juniors' dresses made by both "regular" and "contract" firms. Only establishments whose products are valued at $5,000 or more are included.

TABLE III
Location of Concerns and Sales,
by Important Cities, 1931

City	Number of Concerns	Total Sales	
		Amount (000's)	Per Cent of Total
U. S. Total	2,080	$805,183	100.0
New York City	1,383	663,183	78.6
Chicago	180	44,399	5.5
Philadelphia	109	30,466	3.8
Los Angeles	95	22,184	2.8
Boston	79	20,251	2.5
Cleveland	22	9,136	1.1
St. Louis	40	8,963	1.1
Baltimore	10	2,875	.4
San Francisco	18	2,529	.3
Other Cities	114	31,197	3.9

Source: National Credit Office.

The Code Authority records indicate that the practice of having many branch establishments throughout the country is not prevalent in this Industry. The number and location of the establishments of the 10 firms having branches in more than one state are shown in Table IV.

TABLE IV

Number of Dress Firms Located in One State With Branch Offices in Other States, 1934

State	No. of Firms	Location of Branch Offices or Subsidiaries: New York	New Jersey	Conn.	Ohio	Mo.	Calif.
Total	10	3	4	2	1	1	1
New York	6		4	2			
New Jersey	1	1					
Connecticut	1	1					
Missouri	1	1					
Texas	1				1	1	1

Source: Certificates of Compliance, Code Authority.

The practice of contracting, however, is widespread. In this practice contractors perform the manufacturing operations on materials owned by manufacturers or jobbers, making a certain charge for the labor involved. Manufacturers in one state often employ contractors in another state. Table V shows the number of firms in given states which employ contractors in other states.

TABLE V

Number of Dress Manufacturers and Jobbers in Given States Employing Contractors in Other States, 1934

State	No. of Manufacturers & Jobbers	States in which Contractors are Located: New Jersey	Conn.	Pa.	Md.	Vt.	Puerto Rico
Total	299	466	98	33	2	2	2
New York	294	463	98	32	2	1	2
Pennsylvania	3	3					
Maryland	1			1			
Wisconsin	1					1	

Source: Dress Code Authority.

Table VI indicates the high turnover among firms engaged in dress manufacturing, registrations under the Dress Code having increased from 1,364 at the beginning of 1934 to 2,078 at the end of that year. During this year 366 firms ceased making dresses, leaving a net registration of 1,712 at the end of 1934. This table also shows registrations by important areas.

TABLE VI

Registrations Under Dress Code January 1934, New Registrations during 1934, and Number of Dress Manufacturers and Jobbers Going Out of Business 1934, By Important Producing States

State	No. Jan. Registered 1934	No. Registered Jan. 1934 plus New Registrations During 1934	No. Going Out of Business During 1934	Net. No. Registered End of 1934
U. S. Total	1364	2078	366	1712
California	71	172	25	147
Illinois	127	179	16	163
Massachusetts	49	62	12	50
New York	984	1453	290	1163
Pennsylvania	49	61	6	55
Other States	84	151	17	134

Source: The Dress Code Authority.

According to the May 4, 1935 issue of Current Analysis of Insolvency Trends by Dun and Bradstreet, Incorporated, for the first four months of 1935 the Dress Industry showed 1.38 per cent of the total number of firms insolvent. This is the highest percentage of any industry shown on their Code classification. The high number of failures in this Industry is due to a number of factors; notably, the small amount of capital investment needed to go into the business, the vigorous and fierce competition existing in the Industry, and the large number of small concerns. Unfortunately figures showing the total amount of the liabilities involved in these failures are not available.

Competitive Products

Ensembles, which consists of a coat, skirt, and blouse, or of a coat and dress, harmoniously designed to be worn together, compete with dresses for women's apparel dollars.

Additional competition is given the Dress Industry by products manufactured under the Cotton Garment Code. This competition has become increasingly serious recently due to the style trend toward cottons. According to the Cotton Garment Code Authority 9,382,000 dozen cotton wash dresses valued at $103,300,000 were produced in 1934.

CHAPTER II

LABOR STATISTICS

Number of Employees

In 1929 the Dress Industry employed 88,223 workers. Employment in this Industry had declined to 73,493 workers in 1933. No official figures for actual number employed are available for later periods. The most important area in employment is New York State where more than half of the total employment was concentrated in 1929. Table VII shows employment for important areas for 1929, 1931, and 1933.

TABLE VII

Average Number of Employees by Important Dress Manufacturing States, 1929, 1931 and 1933 a/

State	1929	1931	1933
U. S. Total	88,223	79,724	73,493
California	3,249	3,200	3,211
Illinois	8,515	8,723	7,103
Massachusetts	2,676	3,196	2,355
New York	46,376	39,725	36,404
Pennsylvania	5,940	4,887	4,045
Other States	21,467	19,993	20,375

Source: Special tabulation of the Bureau of the Census covering women's, misses' and juniors' dresses made by both "regular" and "contract" firms includes only establishments whose products are valued at $5,000 or more annually.

a/ Skilled and unskilled workers of all classes: the average number on the payroll during one week at middle of each month, 1929-1931; March, June, September and December, 1933.

Total Annual Wages

Total annual wages in the Dress Industry in 1929 amounted to $118,395,000. By 1933 the total annual wages had declined to $57,676,000. Table VIII shows total payrolls for important areas for 1929, 1931, and 1933.

TABLE VIII

Total Annual Wages by Important Dress Producing States, 1929, 1931, and 1933 (In thousands)

State	1929	1931	1933
U. S. Total	$118,395	$88,653	$59,673
California	3,645	3,005	2,239
Illinois	9,086	7,249	4,569
Massachusetts	3,538	3,522	1,827
New York	78,932	54,900	37,790
Pennsylvania	6,118	4,594	2,744
Other States	17,076	15,383	10,504

Source: Special tabulation of the Bureau of the Census covering women's, misses', and juniors' dresses made by both "regular" and "contract" firms. Includes only establishments whose products are valued at $5,000 or more annually.

Hourly Earnings

Official figures on hourly earnings are not available prior to 1933. According to estimates submitted by the International Ladies' Garment Workers' Union, hourly earnings in 1930 were 84 cents per hour, declining to 49 cents per hour for 1932. 1/

According to a special tabulation made by the Bureau of Labor Statistics, average hourly earnings were 54.9 cents per hour for 1933. In 1934 they had increased to 72.8 cents per hour. Similar improvement is seen in the average weekly wage. Improvement is also seen in the employment and payroll indexes for 1934 as compared with 1933. (See Tables IX and X).

1/ Hourly earnings based on returns from 60 manufacturing and contract shops, the figures being averages in which the two types are weighted according to their relative importance in the Industry.

TABLE IX

Average Hourly Wage Rate, Average Hours Per Week, and Average Weekly Hours, 1933 and 1934 a/

Item	1933	1934
Average Hourly Wage Rate b/	$.549	$.728
Average Weekly Earnings c/	19.51	21.08
Average Weekly Hours b/	34.9	27.3

Source: Unpublished data secured by the Bureau of Labor Statistics in

cooperation with the Division of Research and Planning, NRA.

a/ Reporting establishments considered to be almost completely covered by the Dress Manufacturing Code. Data reported for week ending nearest the 15th of the month.

b/ Based upon a representative sample covering an average of the establishments and nearly 650 employees in 1933 and a much larger group in 1934.

c/ Based upon a representative sample covering an average of 76 establishments and about 3500 employees in 1933 and a much larger group in 1934.

TABLE X
Indexes of Employment, Payrolls, and Man-Hours,
By Months, 1933-1934 a/
(1933=100)

Year and Month b/	Employment c/	Payrolls c/	Man-Hours d/
1933			
January	96.0	90.2	101.2
February	103.5	93.9	118.4
March	82.7	65.0	61.5
April	108.7	104.5	129.7
May	116.6	112.4	134.5
June	106.8	98.4	112.8
July	73.0	63.1	70.5
August	91.1	83.1	92.4
September	115.5	152.4	121.3
October	114.5	132.9	104.4
November	96.6	94.6	68.9
December	95.0	109.5	84.4
Average	100.0	100.0	100.0
1934			
January	110.0	121.8	95.6
February	117.8	142.6	98.7
March	117.9	143.3	102.8
April	120.5	154.2	108.2
May	122.4	155.4	102.9
June	100.2	107.4	69.1
July	76.2	76.1	49.3
August	114.5	132.5	90.7
September	123.6	142.7	95.5
October	125.2	154.5	96.7
November	107.1	106.8	67.8
December	109.7	123.0	75.7
Average	112.0	130.0	87.8

(Table X continued on next page)

Source: Unpublished data secured by the Bureau of Labor Statistics in cooperation with the Division of Research and Planning, NRA.

a/ Reporting establishments considered to be almost completely covered by the Dress Manufacturing Code.

b/ Data reported for week ending nearest the 15th of the month.

c/ Based upon a representative sample covering an average of 76 establishments and about 3,500 employees in 1933 and a much larger group in 1934.

d/ Computed: index of employment times average hours worked per week reduced to 1933=100.

Seasonality

The man-hour index on Table X indicates the highly seasonal nature of the Industry. The International Ladies' Garment Workers' Union in a brief submitted at the time the Code was under consideration stated: "Women's clothing is by a wide margin the most seasonal of the 24 (important) industries reported." 1/

The tendency is for the seasonal nature of an industry to increase during times of depression. Thus the ratio of the lowest to the highest employment in the Dress Industry (as shown by the special tabulation of the Bureau of the Census) declined from about 81 per cent in 1929 to 73 per cent for 1931. In 1933 employment during the dull season was 62.7 per cent of that during the active season. In 1934 the ratio of the lowest to the highest employment was 60.9 per cent.

1/ Cited from Seasonal Variations in Industry and Trade, published by the National Bureau of Economic Research, 1933.

CHAPTER III

MATERIALS

Cloth made of silk, cotton, rayon and wool is the principal raw material which goes into the manufacture of dresses. The silk, from which silk cloth is made, is imported from China and Japan. New Jersey and Pennsylvania are the most important areas in which silk cloth mills are located. The cotton, from which cotton cloth is made, is grown in the Southern States. Cotton cloth mills are located both in the Southern Atlantic States and in New England. The wool used in the manufacture of woolen cloth is grown in the Southwestern States. Together with some imported wool, this is made into cloth in woolen mills which are largely concentrated in New England. Rayon is made synthetically from cellulose fibres such as cotton and wood. The industry is scattered among the Atlantic Coast States, oftentimes in conjunction with other cloth mills.

By far the most important of these cloths is silk, dresses of this material valued at a total of $241,967,000 having been produced in 1933. The relative importance of the various materials may be judged from the following tabulation of production by various kinds of dresses for 1933.

TABLE XI

Value of Dresses, by Principal Kinds of Materials, 1933

Material Used	Total Value (In thousands)
Total	$399,195
Silk	241,967
Wool	28,012
Rayon	40,576
Others not specified (principally cotton)	88,640

Source: Special tabulation of Bureau of the Census covering women's, misses' and juniors' dresses made in establishments engaged primarily in manufacture of such dresses. Receipts for contract work included. Includes only establishments whose products are valued at $5,000 or more annually.

Table XII shows that about 55 per cent of the value of the product is in the cost of raw materials. The total amount of the cost of raw materials fell from $452,920,000 in 1929 to $211,995,000 in 1933. An interesting fact shown by this table is that in 1933 labor cost represented only 11.1 per cent of the value of the product.

TABLE XII

Per Cent That Labor Cost and Cost of Materials are of Total Value of Product, 1929, 1931, and 1933

Year	Total Value of Product (000's)	Total Labor Cost		Total Materials Cost	
		Amount (000's)	Per Cent of Total	Amount (000's)	Per Cent of Total
1929	$794,830	---	---	$452,920	57.0
1931	581,117	---	---	328,951	56.6
1933	379,865	$41,982	11.1	211,995	55.8

Source: Special tabulation of the Bureau of the Census covering women's, misses', and junior's dresses made by "regular" firms only and not including "contract" shops. Includes only establishments whose products are valued at $5,000 or more annually.

CHAPTER IV

PRODUCTION AND DISTRIBUTION

The Industry reached its peak production in 1929 when 162,837,000 garments valued at $823,271,000 were produced. In 1933, although production in units had declined to only 145,236,000, the total value of the product had declined to $376,480,000. This trend toward lower priced garments is further indicated in Table XIII which shows production by price lines.

TABLE XIII

Total Value and Volume of Production
1929, 1931, and 1933

Kind of Product	Volume of Production (Thousand dresses)			Value of Production (In thousands)		
	1929	1931	1933	1929	1931	1933
Total	162,837	167,192	145,236	$823,271	$618,162	$376,480
Made to Retail for Under $1.00	22,866	33,923	a/	14,239	18,490	a/
$1.00- 1.99	35,786	34,189	a/	35,904	32,741	a/
2.00- 2.99	15,908	18,258	a/	26,502	30,638	a/
3.00- 4.99	14,190	24,798	a/	44,017	76,063	a/
5.00- 9.99	34,535	33,880	a/	187,131	180,086	a/
10.00-24.99	31,212	19,822	a/	323,167	215,478	a/
25.00 and over	8,340	2,322	a/	192,311	64,666	a/

Source: Census of Manufactures - "Women's Clothing." Data apply to all dresses, including those made by Dress Manufacturing firms (excluding receipts for contract work) and those made by firms not so classified. Includes only establishments whose products are valued at $5,000 or more annually.

a/ No comparable data.

Table XIV shows total production of dresses by important areas based on label sales made by the Code Authority in 1934. This table indicates a total production of 84,823,895 dresses in 1934.

TABLE XIV

Label Sales of Price Lines for United States and Important Producing States, 1934

Price Line	United States	Calif.	Ill.	Mass.	N.Y.	Pa.	Others
Total Labels	84,824	1,171	2,326	1,544	76,051	1,616	2,115
1.00	2,148	76	81	0	1,851	67	75
2.25	11,063	38	405	408	9,805	305	104
2.75	4,665	16	181	41	4,345	78	5
2.87½	12,627	113	91	180	11,915	157	172
3.75	16,689	169	196	174	15,511	266	375
4.75	14,058	146	52	169	13,229	121	340
6.75	7,416	107	299	280	6,086	328	317
7.75	4,020	25	2	93	3,814	75	12
8.75	3,039	110	263	43	2,339	27	258
10.75	5,913	248	546	75	4,480	165	400
12.75	915	57	74	20	740	0	25
13.75	360	15	10	0	319	15	1
16.50	1,186	36	104	40	962	15	29
18.50	256	8	15	25	205	0	3
22.50	318	4	10	0	303	0	1
29.00	108	0	0	0	108	0	0
39.00	29	0	0	0	29	0	0
49.00 and up	16	3	0	0	13	0	0

Source: The Dress Code Authority.

Table XV shows estimates of annual value of production by important areas based on label sales made by the Code Authority in 1934. This table indicates that the product in 1934 was valued at about $428,464,250.

TABLE XV

Estimated Dollar Volume of Production Based on Label Sales for the United States and Important Producing States, 1934

State	Dollar Volume a/ (In thousands)
U. S. Total	428,464
California	8,317
Illinois	16,219
Massachusetts	8,158

Continued on next page

TABLE XV (Cont'd)

State	Dollar Volume a/ (In thousands)
New York	374,944
Pennsylvania	7,344
Other States	13,482

Source: The Dress Code Authority.

a/ The dollar volume of the Dress Industry must be considered a minimum amount because each price line (shown in Table XIV) includes all dresses at the indicated price line and all dresses above that, up to, but not including, the next higher price line.

Table XVI shows production from "regular" dress manufacturers and does not include the production of "contract" shops.

TABLE XVI

Value of Products by Important Producing States, 1929, 1931, and 1933 (In Thousands)

State	1929	1931	1933
U. S. Total	$794,830	$581,117	$379,865
California	16,669	13,427	9,902
Illinois	43,721	32,376	21,282
Massachusetts	19,408	16,097	9,312
New York	610,782	442,141	287,306
Pennsylvania	36,445	24,800	12,049
Other States	67,805	52,276	40,014

Source: Special tabulation of the Bureau of the Census covering women's, misses', and juniors' dresses made by "regular" firms only and does not include "contract" firms. Includes only establishments whose products are valued at $5,000 or more annually.

Although there are about 1,000 firms engaged in jobbing and selling dresses at wholesale, many retail establishments purchase direct from the manufacturer. There are also large resident buyers located in New York City who purchase a large volume of dresses for stores scattered throughout the country.

Dresses are sold to women in department stores, dry goods, and other clothing stores located in every village of any size in the country. Table XVII shows a total of 45,056 establishments in 1929 selling dresses at retail.

TABLE XVII

Number of Wholesale and Retail Establishments
Distributing Products of the Industry - 1929

State	Wholesale a/ 1929	Retail b/ 1929
U. S. Total	997	45,056
California	61	2,222
Massachusetts	103	1,580
Illinois	128	2,595
New York	340	6,607
Ohio	55	1,995
Pennsylvania	87	3,761
Other States	223	26,296

Source: U. S. Census of Distribution, 1930; Retail Distribution and Wholesale Distribution.

a/ Includes following types of stores: clothing, general line; clothing and furnishing; clothing, women's and children's.

b/ Includes following types of stores: department, general merchandise, "with food" and "without food" groups only, family clothing; women's ready-to-wear.

As an indication of the interstate movement of goods in the Dress Industry, attention is called to Table XVIII which shows sales by price lines and sales within and outside of New York State of 97 manufacturers and jobbers located in New York State. It is seen that for nearly every price line about three quarters of the sales are made to establishments located outside New York State.

Additional evidence of the interstate sales of dresses is shown in Table XIX, a compilation of sales by state of destination taken from the books of 8 manufacturers and jobbers.

TABLE XVIII

1934 Sales of 97 Dress Manufacturers and Jobbers Located
In New York City by Price Line and by Sales Within and Outside New York State a/

Price Line b/ (dollars)	Number of Firms	Total Sales (dollars)	Sales in New York State Amount (dollars)	Sales in New York State Per Cent of Total	Sales Outside New York State Amount (dollars)	Sales Outside New York State Per Cent of Total
All Lines	97	51,575,855	12,256,869	23.8	39,318,987	76.2
2.25	5	3,295,503	803,340	24.4	2,492,163	75.6
2.75	1	165,770	12,646	7.6	153,124	92.4
2.87½	8	7,260,036	2,951,003	40.6	4,309,031	59.4
3.75	22	13,384,253	1,946,757	14.5	11,437,497	85.5
4.75	20	8,833,878	1,896,288	21.5	6,937,590	78.5
6.75	8	3,403,886	702,967	20.7	2,700,918	79.3
7.75	8	5,139,510	1,110,498	21.6	4,029,011	78.4
8.75	3	1,596,690	432,249	27.1	1,164,421	72.9
10.75	7	2,084,166	703,322	33.7	1,380,844	66.3
12.75	2	469,594	210,731	44.9	258,863	55.1
15.00	1	418,039	130,624	31.2	287,415	68.8
16.75	4	2,264,708	587,976	26.0	1,676,732	74.0
18.75	1	905,109	175,554	19.4	729,555	80.6
22.50	1	376,996	176,839	46.9	200,157	53.1
Unclassified	6	1,977,739	416,073	21.0	1,561,666	79.0

Source: Data collected by compliance men from dress jobbers or manufacturers who pay a tax on New York State sales and who therefore have this breakdown available.

a/ One firm located In Brooklyn.
b/ Firms are classified in lowest of the price lines in which they sell.

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TABLE XIX

Sales by State Destination of Dresses for Eight Manufacturers
or Jobbers Located in New York State, 1934

Number of Firms	United States	California	Illinois	Massa-chusetts	New Jersey	New York	Ohio	Pennsyl-vania	Other
Total	2,612,836	149,562	209,938	111,879	120,212	827,326	127,233	145,402	921,284
1 a/	940,500	76,000	62,000	42,000	30,000	210,000	56,000	53,000	411,500
2	432,000	25,000	70,000	8,000	10,000	160,000	10,000	25,000	124,000
3	383,713	17,510	22,123	12,720	16,276	90,010	17,260	15,526	192,288
4	300,792	14,346	34,847	20,440	8,430	149,731	16,537	16,134	40,327
5	174,992	3,372	6,942	6,273	15,919	91,954	10,298	10,485	29,749
6	168,610	2,450	4,000	12,500	24,000	61,000	6,000	12,500	46,160
7	147,216	4,430	8,775	4,525	11,945	36,836	8,840	7,440	64,425
8	65,013	6,454	1,251	5,421	3,642	27,795	2,298	5,317	12,835

Source: Manufacturers and jobbers ledgers: data for some firms appear to be estimates

a/ 10 months, February 1 to November 30, 1934.

Further indication of interstate sale of this product is shown in Table XX which shows the number and amount of claims from important purchasing states for returned merchandise.

TABLE XX

Retailers' Returns to New York Manufacturers
Handled by Dress Code Authority November 1, 1934,
to April 25, 1935, by Important Purchasing States

State	Number of Retailers	Number of Claims	Value of Claims
U. S. Total	7,062	32,249	$475,991
California	166	1,070	18,217
Illinois	258	1,871	30,473
Massachusetts	269	2,343	39,740
New Jersey	265	1,030	13,947
New York	1,020	5,534	90,298
Ohio	358	3,054	40,789
Pennsylvania	688	3,876	55,260
Other States	4,038	13,471	187,267

Source: The Dress Code Authority, Report No. 1.

Advertising Media

Dresses are nationally advertised in fashion magazines such as Vogue and Harpers Bazaar as well as practically all women's magazines. In addition, trade publications as Women's Wear carry such advertising. Retailers extensively advertise the product through the local daily press.

CHAPTER V

TRADE PRACTICES

Manufacturers in the Dress Industry claim that one of the greatest evils of the Industry has been the practice of retailers returning merchandise. The Dress Code attempts partially to control this evil by establishing regulations for the return of merchandise. Among the reasons for which manufacturers may accept returned merchandise shipped back within five days of receipt are: errors in shipment, delay in delivery, defective materials or workmanship, and breach of contract. Merchandise returned after five days must be examined by an impartial representative of the Code Authority before acceptance.

These regulations have served to reduce the amount of returned goods with resulting savings to manufacturers. Table XXI shows dollar sales and dollar value of returns for various priced goods for 1933 and 1934. This table indicates that this provision of the fair trade practices of the Code has resulted in large savings to manufacturers, for example on a $246,009,000 volume of business in 1933, returns amounted to $24,575,000; while for 1934 returns were about the same amount ($24,429,000) for the much larger volume of sales $316,183,000.

TABLE XXI

Dollar Sales and Returns of New York Dress Manufacturers by Price Groups 1933 and 1934

Price Group	1933 Number of Manu-facturers	1933 Dollar Sales ($1,000)	1933 Dollar Returns ($1,000)	1933 Percent-age Returns to Sales	1934 Number of Manu-facturers	1934 Dollar Sales ($1,000)	1934 Dollar Returns ($1,000)	1934 Percent-age Returns to Sales
Total	611	246,099	24,575	9.99	830 a/	316,183	24,429	7.73
$3.75	197	86,188	8,877	9.91	285	107,396	8,932	8.31
4.75	95	42,377	4,013	10.08	148	58,112	4,365	7.51
8.75	160	56,590	6,107	10.24	208	75,088	6,104	8.12
12.75	76	33,927	3,497	10.16	93	40,299	2,969	7.37
Over 12.75	83	27,018	2,082	7.52	96	35,288	2,059	5.83

Source: Dress Code Fair Trade Practice Division Schedule "D" 1, April 1935.

a/ Total manufacturers in business as per schedule - 830
Add: Number manufacturers not reporting - 102; Number manufacturers in business 1935 - 135; Number manufacturers out of business 1935 - 119.
Total market - 1,186.

Practices Now Prevalent

It is believed by many members of the Dress Industry that piracy of designs is an extremely harmful and unfair trade practice. This practice continues to be prevalent for many reasons. In the first place, it is difficult to enforce a codal provision prohibiting it because of the difficulty in proving priority. Then too, many claim that fundamental designs are public property and new ones are created merely by slightly altering them. Others claim that business is stimulated and the whole Industry benefitted as a result of the widened demand caused by copying.

CHAPTER VI

GENERAL INFORMATION

Industrial Associations

The associations listed below predominate in the Dress Manufacturing Industry and were represented on the Code Authority. All the associations now carry collective bargaining agreements with the Joint Board of Dressmakers of the International Ladies Garment Workers Union.

1. The National Association of Dress Manufacturers, Incorporated.

This is an association of manufacturers and jobbers -- principally jobbers -- working mostly in the lower price garments. The Wholesale Dress Manufacturing Association was originally organized as a trade practice association but in 1933, when the name was changed to the National Association of Dress Manufacturers, Incorporated, under pressure of the garment makers' strike at that time, the association became a vehicle for collective bargaining with the union. This group has a membership of nearly 700, about 300 of whom operate inside shops; the balance are mostly contractors. Mr. Mortimer Lanzitt is president and Mr. Isadore Scharsman is secretary.

2. Affiliated Dress Manufacturers, Incorporated.

This is an association which was organized in 1929, and is composed of manufacturers working mostly in the higher price lines. It was organized exclusively for collective bargaining agreements and has a membership of slightly over 250. Approximately 178 of these members employed contractors. Mr. Morris Kolchin is president.

3. United Association of Dress Manufacturers, Incorporated.

The United Association was organized in 1933 through a merger of the Dress Manufacturers' Association (organized in 1917 to succeed the Dress and Waist Manufacturers' Association, which was organized in 1910, and the Metropolitan Dress Manufacturers' Association, organized in 1932). The association carries collective bargaining agreements.

Guilds

In addition to the above associations there are several guilds, such as the Fashion Creators' Guild, which are becoming an increasingly important influence in the Dress Industry.

Present Position of the Industry

According to statements of Morris Kolchin, President of the Affiliated Dress Manufacturers' Association, the Industry at the present time is in one of the strongest positions it has been in for some time. This is due partly to a levelling out of costs among the various members by the Code wage levels the protection and savings due to the fair trade practice provisions of the Code, notably the return clause; and to the increased purchasing power of the people as a whole with the resulting beneficial effect upon retailers and business in general.

List of Experts

Individuals thoroughly familiar with the Industry have been chosen from both the manufacturers' associations and the labor union. Those qualified to present the Industry's problems from the manufacturer's viewpoint are:

Morris Kolchin,
President of the Affiliated Dress
Manufacturing Association

Mortimer Lanzitt,
President of National Dress Manufacturers'
Association

Jack Mintz,
Manufacturer

Those especially well qualified to present the problems from the point of view of labor are:

David Dubinsky,
President of the International Ladies'
Garment Workers Union

Julius Hachman,
International Ladies' Garment
Workers Union

Charles Green,
International Ladies' Garment
Workers Union